

AMENDED IN ASSEMBLY APRIL 27, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1179

Introduced by Assembly Member Jones

February 27, 2009

An act to ~~add Section 758.3 to~~ *amend Section 1874.87* of the Insurance Code, relating to motor vehicle insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1179, as amended, Jones. Motor vehicle insurance: damage assessments.

Existing law generally regulates the conduct of motor vehicle insurers relative to insureds or claimants. Under existing law, ~~motor vehicle insurers are prohibited from requiring that insureds or claimants use a specific automotive repair shop~~ *insurers are required to provide each insured with an Auto Body Repair Consumer Bill of Rights containing specified information relating to the rights of insureds relative to covered auto body repairs.*

This bill would, ~~in addition, require insurers to disclose in writing to claimants that any damage assessment, as defined, made by the insurer is not a written estimate of repair costs, as defined. This bill would also require insurers to disclose that the actual cost of repair may be higher than the damage assessment, as specified~~ *require that information regarding a consumer's right to seek and obtain an independent repair estimate directly from a registered auto body repair shop for repair of a damaged vehicle, even when pursuing an insurance claim for repair of that vehicle, be included in the Auto Body Repair Consumer Bill of Rights.*

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 1874.87 of the Insurance Code is amended*
2 *to read:*

3 1874.87. (a) Each insurer subject to this article shall provide
4 each insured with an Auto Body Repair Consumer Bill of Rights
5 either at the time of application for an automobile insurance policy
6 or following an accident that is reported to the insurer. If the insurer
7 provides the insured with an electronic copy of a policy, the bill
8 of rights may also be transmitted electronically.

9 (b) The bill of rights shall be a standardized form developed by
10 the department with the purpose of presenting easy-to-read facts
11 for auto insurance consumers. The content of the bill of rights shall
12 be determined by the department, and at a minimum, shall contain
13 information about all of the following:

14 (1) A consumer's right to select an auto body repair shop for
15 auto body damage covered by the insurance policy and that an
16 insurer may not require this work to be done at a particular auto
17 body repair shop.

18 (2) The consumer's right to be informed about auto body repairs
19 made with new original equipment crash parts, new aftermarket
20 crash parts, and used crash parts.

21 (3) The consumer's right to be informed about coverage for
22 towing services, and for a replacement rental vehicle while a
23 damaged vehicle is being repaired.

24 (4) Toll-free telephone numbers and Internet addresses for
25 reporting suspected fraud or other complaints and concerns about
26 auto body repair shops to the Bureau of Automotive Repair.

27 (5) *A consumer's right to seek and obtain an independent repair*
28 *estimate directly from a registered auto body repair shop for repair*
29 *of a damaged vehicle, even when pursuing an insurance claim for*
30 *repair of that vehicle.*

31 (c) The department shall consult with the Bureau of Automotive
32 Repair in determining the information to be contained in the bill
33 of rights.

34 ~~SECTION 1. Section 758.3 is added to the Insurance Code, to~~
35 ~~read:~~

1 ~~758.3. (a) For purposes of this section only, a “damage~~
2 ~~assessment” is any communication presented to a claimant that is~~
3 ~~intended to convey the cost of vehicle repair and that has been~~
4 ~~prepared by an insurer or by an individual or entity associated with~~
5 ~~the insurer and not registered as an automotive repair dealer~~
6 ~~pursuant to Section 9884.6 of the Business and Professions Code.~~

7 ~~(b) For purposes of this section only, a “written estimate” is a~~
8 ~~document prepared by an automotive repair dealer registered in~~
9 ~~accordance with the requirements of Sections 9884.6 and 9884.9~~
10 ~~of the Business and Professions Code and Section 3353 of Title~~
11 ~~16 of the California Code of Regulations.~~

12 ~~(c) Any insurer who provides a claimant with a damage~~
13 ~~assessment shall do so in writing, and the assessment shall contain~~
14 ~~the following disclosure on the first page of the document in a~~
15 ~~minimum of 16-point type:~~

16 ~~“THIS DAMAGE ASSESSMENT IS NOT A WRITTEN~~
17 ~~ESTIMATE OF REPAIR COSTS. A WRITTEN ESTIMATE OF~~
18 ~~REPAIR COSTS CAN ONLY BE PREPARED BY AN~~
19 ~~AUTOMOTIVE REPAIR DEALER REGISTERED WITH THE~~
20 ~~CALIFORNIA BUREAU OF AUTOMOTIVE REPAIR. THE~~
21 ~~ACTUAL COSTS OF REPAIR MAY BE HIGHER THAN THE~~
22 ~~COSTS CONTAINED IN THIS DAMAGE ASSESSMENT.”~~